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WISCONSIN ECONOMIC INDICATORS

JUNE 1989

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCES
L1	Composite Index of Leading Indicators	Wi. Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wi. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wi. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wi. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wi. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wi. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wi. Dept. of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Security Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wi. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wi. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wi. Dept. of Health and Social Services
X2	Death Registrations	Wi. Dept. of Health and Social Services
X3	Natural Net Gain in Population	Wi. Dept. of Health and Social Services
X4	Marriage Registrations	Wi. Dept. of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wi. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wi. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the census Method 11 Seasonal Adjustment Program.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading of coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism Development

WISCONSIN ECONOMIC INDICATORS

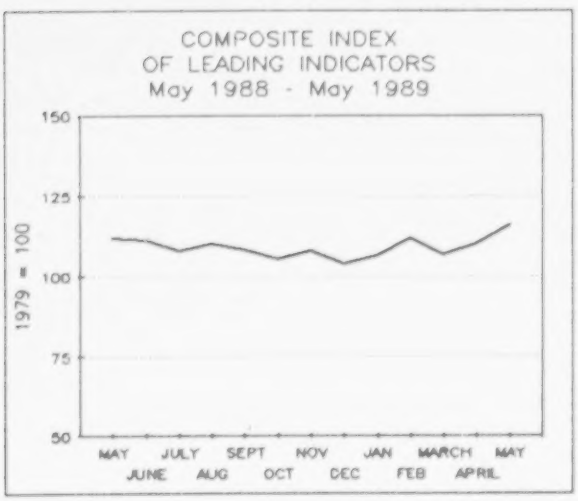
SUMMARY FOR MAY

COMPOSITE INDEX

Wisconsin's Composite Index of leading economic indicators rose by 5.7 index points in May. That is a hefty increase and brings the index level to a record of 115.7 points.

The increase came despite mixed signals among the various indicators composing the index. The manufacturing workweek and overtime data slipped down, and initial unemployment compensation claims increased. However, strong growth of business telephone access lines and of building plans examined more than offset the workweek slippage.

The access-line and plans-examined data vary widely from month to month, so the index level will be difficult to maintain.



LEADING INDICATORS

Production workers in Wisconsin's manufacturing industries spent fewer hours at work in May. The average workweek declined by two-tenths of an hour, a decline which occurred when the workweek normally increases. Along with the workweek, average weekly overtime hours decreased by two-tenths of an hour.

Total manufacturing employment, however, increased by 3,700 in May. Fewer hours were worked per week, but there were more workers. That translates to an increase of labor input into manufacturing.

The average weekly initial claims for unemployment compensation decreased by 732 in May. That is a small decrease for this month; a normal decrease would amount to about twelve-hundred claims. Too, total employment grew at only sixty percent of the seasonally normal amount. One probable cause of the anemic employment growth is a short supply of labor. Wisconsin's labor force increased by just over 14 thousand in May, less than half of the normal 32 thousand growth for the month.

The number of job openings received by state Job Service offices increase by 944 in May. That is above par for this month.

New business incorporations increased to 637 for May. That is a large number. New incorporations averaged 595 per month during 1988.

The net gain in business telephone access lines by 861, well above normal for May.

And, the number of commercial and industrial building plans examined increased by over two-hundred, a very large increase even when seasonally adjusted for the beginning of the construction season.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES				% CHANGE		AVG.
		Latest Month		Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1988
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	Index	MAY	115.7	110.0	111.5	5.2%	3.8%	97.9
L2 AVG. WORK WEEK, MFG.								
Unadjusted	Hours	MAY	41.2	41.4	41.4	-0.5%	-0.5%	41.7
Seasonally Adjusted			41.4	41.8	41.5	-1.0%	-0.2%	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	Hours	MAY	3.5	3.7	3.8	-5.4%	-7.9%	4.1
Seasonally Adjusted			3.8	4.2	4.1	-9.5%	-7.3%	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	Number	MAY	5326	6058	4896	-12.1%	8.8%	6833
Seasonally Adjusted			7188	6570	6611	9.4%	8.7%	
L5 TOTAL JOB OPENINGS RECEIVED								
Unadjusted	Number	MAY	8683	7739	9398	12.2%	-7.6%	8063
Seasonally Adjusted			8463	8121	9162	4.2%	-7.6%	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	Number	MAY	637	578	657	10.2%	-3.0%	595
Seasonally Adjusted			593	525	611	13.0%	-2.9%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES								
Unadjusted	Number	MAY	3505	2644	2849	32.6%	23.0%	2471
Seasonally Adjusted			2793	2527	2675	10.5%	4.4%	
L8 BUILDING PLANS EXAMINED								
Unadjusted	Number	MAY	837	636	613	31.6%	36.5%	613
Seasonally Adjusted			817	614	599	33.1%	36.4%	
COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	Index	MAY	93	95	99	-2.1%	-6.1%	97
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	Percent	MAY	4.4	4.3	4.0	.....	.....	4.3
Seasonally Adjusted			4.2	4.2	3.9	.....	.....	
C3 NATURAL GAS SALES								
Unadjusted	Mil.	APR	157.8	303.0	163.0	-47.9%	-3.2%	190.9
Seasonally Adjusted	Therms		178.1	215.7	183.9	-17.4%	-3.2%	
C4 NEW CAR REGISTRATIONS								
Unadjusted	Number	MAY	17,025	17,861	13,751	-4.7%	23.8%	14,734
Seasonally Adjusted			17,567	17,669	14,188	-0.6%	23.8%	
C5 ELECTRIC POWER SALES								
Unadjusted	Mil. KWH	APR	2202.2	2462.8	2204.1	-10.6%	-0.1%	2397.3
Seasonally Adjusted			2332.8	2462.8	2334.2	-5.3%	-0.1%	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	Mil. Dol.	MAY	162.5	116.8	127.8	39.1%	27.2%	156.1
Seasonally Adjusted			172.7	117.4	135.9	47.1%	27.1%	

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A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1988
C7 MANUFACTURING EMPLOYMENT							
Unadjusted	Thous.	MAY	553.8	550.1	543.0	0.7%	2.0%	550.7
Seasonally Adjusted			558.3	556.8	547.3	0.3%	2.0%	
C8 AVG. WEEKLY EARNINGS, MFG.							
Unadjusted	Dollars	MAY	$443.72	$443.81	$442.57	-0.0%	0.3%	$443.48
Seasonally Adjusted			$443.72	$447.84	$442.56	-0.9%	0.3%	
C9 CASH RECEIPTS FROM FARM MKTG.							
Unadjusted	Mil. Dol.	MAR	416.1	385.5	392.9	7.9%	5.9%	408.6
Seasonally Adjusted			441.3	443.6	416.6	-0.5%	5.9%	
C10 CONTRACT CONSTRUCTION EMPL.							
Unadjusted	Thous.	MAY	76.9	70.2	72.1	9.5%	6.7%	71.5
Seasonally Adjusted			74.9	76.1	70.2	-1.6%	6.7%	
OTHER KEY INDICATORS							
X1 BIRTH REGISTRATIONS							
Unadjusted	Number	MAY	6751	6242	5807	8.2%	16.3%	5905
Seasonally Adjusted			6417	6428	5520	-0.2%	16.3%	
X2 DEATH REGISTRATIONS							
Unadjusted	Number	MAY	3622	3433	3423	5.5%	5.8%	3632
Seasonally Adjusted			3711	3614	3508	2.7%	5.8%	
X3 NATURAL NET GAIN POPULATION							
Unadjusted	Number	MAY	3129	2809	2384	11.4%	31.3%	2274
Seasonally Adjusted			2832	2801	2158	1.1%	31.2%	
X4 MARRIAGE REGISTRATIONS							
Unadjusted	Number	MAY	4175	2634	3864	58.5%	8.0%	3468
Seasonally Adjusted			3748	4174	3468	-10.2%	8.1%	
X5 CONSUMER PRICE INDEX				(Jun '88)	(Dec '87)			
Unadjusted (1982-1984 = 100)	Index	DEC	117.2	114.5	113.0	2.4%	3.7%	115.9
X6 PRICES RECEIVED BY FARMERS							
Unadjusted	Index	MAY	143	142	131	0.7%	9.2%	135
Seasonally Adjusted			145	145	133	0.0%	9.0%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES							
Unadjusted	Number	MAY	-4972	2546	-4922	-295.3%	-1.0%	2208
Seasonally Adjusted			1515	2100	1873	-27.9%	-19.1%	
X8 LABOR DISPUTES, NO. OF WORKERS							
Unadjusted	Number	MAY	315	273	81	15.4%	288.9%	107
Seasonally Adjusted			589	2395	151	-75.4%	290.1%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES							
Unadjusted	Number	MAY	12,122	11,349	17,434	6.8%	-30.5%	14102
Seasonally Adjusted			10,814	10,479	15,547	3.2%	-30.4%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES MAY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
CIVILIAN LABOR FORCE	2621.2	2607.0	2572.5	0.5%	1.9%
Employment (incl. Labor Disputes)	2506.4	2495.9	2468.7	0.4%	1.5%
Unemployment	114.8	111.1	103.8	3.3%	10.6%
Unemployment Rate	4.4	4.3	4.0	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2619.9	2637.7	2571.3	-0.7%	1.9%
Employment (incl. Labor Disputes)	2508.9	2526.2	2470.9	-0.7%	1.5%
Unemployment	111.0	111.5	100.4	-0.4%	10.6%
Unemployment Rate	4.2	4.2	3.9	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES MAY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
TOTAL NONFARM WAGE AND SALARY WORKERS	2206.9	2178.5	2147.9	1.3%	2.7%
Manufacturing	553.5	549.8	542.9	0.7%	2.0%
Mining	2.8	2.5	2.4	12.0%	16.7%
Contract Construction	76.9	70.2	72.1	9.5%	6.7%
Transportation and Public Utilities	100.5	99.5	97.9	1.0%	2.7%
Electric, Gas and Sanitary Services	17.2	17.2	17.3	0.0%	-0.6%
Wholesale Trade	111.2	109.8	108.6	1.3%	2.4%
Retail Trade	406.5	397.9	396.4	2.2%	2.5%
General Merchandise	47.1	47.2	47.9	-0.2%	-1.7%
Finance, Insurance and Real Estate	118.5	117.7	114.9	0.7%	3.1%
Banking	27.8	27.7	27.5	0.4%	1.1%
Insurance	41.8	41.6	40.0	0.5%	4.5%
Service and Miscellaneous	494.0	489.7	479.4	0.9%	3.0%
Hospitals	73.4	73.3	71.5	0.1%	2.7%
Private Education	26.3	26.2	24.9	0.4%	5.6%
Government	343.0	341.4	333.3	0.5%	2.9%
State Government	89.9	90.2	84.3	-0.3%	6.6%
Local Government	223.4	221.6	220.0	0.8%	1.5%

UNITED STATES LABOR FORCE ESTIMATES JUNE	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	124,102	123,610	121,524	0.4%	2.1%
Employment (incl. Labor Disputes)	117,541	117,215	115,001	0.3%	2.2%
Unemployment	6,561	6,395	6,523	2.6%	0.6%
Unemployment Rate	5.3%	5.2%	5.4%	.....	.....

WISCONSIN ECONOMIC INDICATORS

MANUFACTURING EMPLOYMENT Unadjusted MAY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
All Manufacturing (Incl. Canning)	553.5	549.8	542.9	0.7%	2.0%
All Manufacturing (Excl. Canning)	546.0	542.1	534.7	0.7%	2.1%
Durable Goods	341.9	339.8	335.2	0.6%	2.0%
Lumber and Wood Products (Excl. Furniture)	28.8	28.5	28.1	1.1%	2.5%
Furniture and Fixtures	12.2	12.1	11.8	0.8%	3.4%
Stone, Clay, and Glass Products	9.5	9.1	9.4	4.4%	1.1%
Primary Metal Industries	22.7	23.1	21.5	-1.7%	5.6%
Iron and Steel Foundries	11.5	11.7	10.8	-1.7%	6.5%
Fabricated Metal Products	59.3	59.5	56.5	-0.3%	5.0%
Fabricated Structural Metal Products	14.2	14.1	13.9	0.7%	2.2%
Metal Stampings	11.2	11.4	11.1	-1.8%	0.9%
Machinery (Excl. Electrical)	109.2	109.5	106.8	-0.3%	2.2%
Engines and Turbines	18.2	18.3	20.3	-0.5%	-10.3%
Farm Machinery and Equipment	13.1	13.3	13.1	-1.5%	0.0%
Constr.,Mining, Material Handling Machinery	11.8	11.7	10.9	0.9%	8.3%
Metalworking Machinery and Equipment	14.0	14.0	12.7	0.0%	10.2%
Special Ind. Mach., Excl. Metalworking	14.5	14.5	13.8	0.0%	5.1%
Gen. Industrial Mach. and Equip.	15.2	15.2	13.7	0.0%	10.9%
Electrical Machinery, Equip. and Supplies	47.0	47.5	46.7	-1.1%	0.6%
Electrical Industrial Apperatus	15.9	15.7	15.5	1.3%	2.6%
Transportation Equipment	30.0	27.1	32.0	10.7%	-6.3%
Motor Vehicles and Equipment	22.9	20.1	25.3	13.9%	-9.5%
Instrument and Related Products	13.1	13.2	12.7	-0.8%	3.1%
Miscellaneous Manufacturing	10.1	10.2	9.7	-1.0%	4.1%
Nondurable Goods	211.6	210.0	207.7	0.8%	1.9%
Food and Kindred Products	59.5	58.8	58.7	1.2%	1.4%
Meat Products	14.4	14.4	13.9	0.0%	3.6%
Dairy Products	17.7	17.4	17.3	1.7%	2.3%
Canning and Preserving	7.9	7.5	8.4	5.3%	-6.0%
Bakery Products	4.7	4.6	4.3	2.2%	9.3%
Beverage Industries	7.7	7.8	7.8	-1.3%	-1.3%
Textile Mill Products	4.1	4.2	4.8	-2.4%	-14.6%
Apparel and Other Finished Products	7.1	7.0	7.3	1.4%	-2.7%
Paper and Allied Products	49.9	49.6	49.7	0.6%	0.4%
Pulp and Paper Mills	30.2	29.9	30.1	1.0%	0.3%
Printing, Publishing and Allied Products	45.5	45.3	43.5	0.4%	4.6%
Chemicals and Allied Products	10.7	10.6	10.4	0.9%	2.9%
Rubber and Misc. Plastics Products	28.6	28.2	26.2	1.4%	9.2%
Miscellaneous Plastics Products	24.1	23.7	21.8	1.7%	10.6%
Leather and Leather Products	6.0	6.1	6.8	-1.6%	-11.8%

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted MAY	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$443.72	$443.81	$442.57	41.2	41.4	41.4
All Manufacturing (Excl. Canning)	445.63	445.05	443.81	41.3	41.4	41.4
Durable Goods	444.96	446.96	452.10	41.2	41.5	41.9
Lumber and Wood Products (Excl. Furniture)	332.92	328.85	332.48	40.6	40.3	41.2
Furniture and Fixtures	361.64	369.79	350.70	42.1	43.2	41.8
Stone, Clay, and Glass Products	467.93	461.15	456.48	46.7	46.3	48.0
Primary Metal Industries	448.17	454.65	451.88	42.4	43.3	44.0
Iron and Steel Foundries	461.12	470.39	467.05	44.0	45.1	45.7
Fabricated Metal Products	412.67	416.36	413.71	40.3	40.7	40.8
Fabricated Structural Metal Products	416.77	425.11	425.57	40.9	41.8	42.6
Metal Stampings	471.03	475.44	445.20	41.5	42.0	40.0
Machinery (Excl. Electrical)	495.10	499.38	494.59	42.1	42.5	42.6
Engines and Turbines	496.25	508.37	538.72	38.8	39.5	41.6
Farm Machinery and Equipment	538.48	532.22	524.07	42.4	43.2	43.6
Constr.,Mining, Material Handling Machinery	529.69	524.96	496.08	44.4	44.3	43.1
Metalworking Machinery and Equipment	540.76	554.64	528.88	43.4	44.3	44.0
Special Ind. Mach., Excl. Metalworking	524.94	530.96	507.05	43.6	44.1	43.9
Gen. Industrial Mach. and Equip.	448.11	452.10	453.81	41.3	41.9	40.7
Electrical Machinery, Equip. and Supplies	397.19	398.38	410.15	39.6	39.6	39.4
Electrical Industrial Apparatus	418.81	427.80	431.48	41.1	41.9	40.1
Transportation Equipment	614.46	439.41	652.50	41.8	43.0	43.5
Instrument and Related Products	347.16	355.04	365.98	37.9	38.3	40.8
Nondurable Goods	440.59	438.13	425.41	41.1	41.1	40.4
Food and Kindred Products	418.88	409.82	408.85	40.2	40.1	40.4
Meat Products	365.88	369.04	352.74	39.3	40.2	39.5
Dairy Products	404.19	399.56	401.39	40.5	40.4	40.3
Textile Mill Products	344.73	334.63	307.42	45.3	43.8	41.6
Apparel and Other Finished Products	258.02	251.92	255.98	38.0	37.6	37.7
Paper and Allied Products	594.74	591.26	576.28	45.4	45.1	44.5
Pulp and Paper Mills	651.92	648.57	630.66	46.4	45.9	45.7
Printing, Publishing and Allied Products	424.82	426.58	401.13	38.1	38.5	36.4
Chemicals and Allied Products	419.45	424.85	409.16	40.1	40.5	38.6
Rubber and Misc. Plastics Products	344.06	347.90	338.04	40.1	40.5	40.1
Leather and Leather Products	266.17	261.59	249.75	38.8	38.3	37.5

WISCONSIN ECONOMIC INDICATORS

AVERAGE HOURLY EARNINGS Unadjusted MAY	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.77	$10.72	$10.69	$10.33	$10.26	$10.22
All Manufacturing (Excl. Canning)	10.79	10.75	10.72	10.35	10.28	10.25
Durable Goods	10.80	10.77	10.79	10.38	10.32	10.32
Lumber and Wood Products (Excl. Furniture)	8.20	8.16	8.07	7.88	7.87	7.75
Furniture and Fixtures	8.59	8.56	8.39	8.39	8.28	8.05
Stone, Clay, and Glass Products	10.02	9.96	9.51	9.24	9.25	8.82
Primary Metal Industries	10.57	10.50	10.27	10.01	9.90	9.69
Iron and Steel Foundries	10.48	10.45	10.22	9.83	9.75	9.53
Fabricated Metal Products	10.24	10.23	10.14	9.84	9.75	9.78
Fabricated Structural Metal Products	10.19	10.17	9.99	9.84	9.80	9.60
Metal Stampings	11.35	11.32	11.13	10.85	10.77	10.76
Machinery (Excl. Electrical)	11.76	11.75	11.61	11.29	11.26	11.10
Engines and Turbines	12.79	12.87	12.95	12.49	12.50	12.33
Farm Machinery and Equipment	12.70	12.32	12.02	12.17	11.76	11.53
Constr.,Mining, Material Handling Machinery	11.93	11.85	11.51	11.30	11.27	11.10
Metalworking Machinery and Equipment	12.46	12.52	12.02	11.89	11.94	11.44
Special Ind. Mach., Excl. Metalworking	12.04	12.04	11.55	11.41	11.41	10.95
Gen. Industrial Mach. and Equip.	10.85	10.79	11.15	10.44	10.34	10.77
Electrical Machinery, Equip. and Supplies	10.03	10.06	10.41	9.75	9.74	10.05
Electrical Industrial Apparatus	10.19	10.21	10.76	9.81	9.81	10.45
Transportation Equipment	14.70	14.87	15.00	14.19	14.24	14.06
Instrument and Related Products	9.16	9.27	8.97	9.01	9.05	8.75
Nondurable Goods	10.72	10.66	10.53	10.23	10.18	10.05
Food and Kindred Products	10.42	10.22	10.12	9.93	9.80	9.64
Meat Products	9.31	9.18	8.93	8.94	8.80	8.54
Dairy Products	9.98	9.89	9.96	9.52	9.45	9.46
Textile Mill Products	7.61	7.64	7.39	7.09	7.20	7.07
Apparel and Other Finished Products	6.79	6.70	6.79	6.65	6.59	6.63
Paper and Allied Products	13.10	13.11	12.95	12.41	12.38	12.21
Pulp and Paper Mills	14.05	14.13	13.80	13.26	13.30	12.93
Printing, Publishing and Allied Products	11.15	11.08	11.02	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.46	10.49	10.60	10.11	10.09	10.19
Rubber and Misc. Plastics Products	8.58	8.59	8.43	8.28	8.27	8.15
Leather and Leather Products	6.86	6.83	6.66	6.64	6.63	6.47

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) MAY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS				
							INCL. OVERTIME			EXCL. OVERTIME	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$425.77	$426.81	$415.74	40.9	41.0	41.0	$10.41	$10.41	$10.14	.....	.....
Wisconsin	443.72	443.81	442.57	41.2	41.4	41.4	10.77	10.72	10.69	10.33	10.26
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	512.74	513.04	482.20	43.6	44.0	42.9	11.76	11.66	11.24	11.16	11.04
Eau Claire (Eau Claire-Chippewa)	432.41	436.80	434.16	41.3	41.6	40.2	10.47	10.50	10.80	10.05	10.05
Green Bay (Brown County)	470.37	465.41	475.45	40.1	40.4	41.2	11.73	11.52	11.54	11.32	11.03
Janesville-Beloit (Rock Co.)	577.43	562.65	552.02	42.9	42.4	42.3	13.46	13.27	13.05	12.88	12.70
Kenosha (County)	484.38	499.72	546.38	39.0	40.3	41.9	12.42	12.40	13.04	12.01	11.78
La Crosse (County)	404.21	380.82	358.41	40.3	39.3	39.0	10.03	9.69	9.19	9.69	9.45
Madison (Dane County)	414.12	418.18	409.25	40.6	41.2	40.4	10.20	10.15	10.13	9.85	9.77
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	469.34	470.76	473.69	40.6	40.9	40.8	11.56	11.51	11.61	11.08	11.00
Racine (County)	426.09	430.16	441.19	38.7	39.5	40.7	11.01	10.89	10.84	10.64	10.47
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	426.05	433.75	431.85	42.1	42.4	42.8	10.12	10.23	10.09	9.60	9.72

INA - Information Not Available due to budget reductions

MANUFACTURING EMPLOYMENT Unadjusted MAY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
United States	19603.0	19576.0	19308.0	0.1%	1.5%
Wisconsin	553.5	549.8	542.9	0.7%	2.0%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	52.5	52.7	51.8	-0.4%	1.4%
Eau Claire (Eau Claire-Chippewa)	11.8	11.6	11.3	1.7%	4.4%
Green Bay (Brown County)	25.4	25.4	24.2	0.0%	5.0%
Janesville-Beloit (Rock County)	17.3	17.6	18.2	-1.7%	-4.9%
Kenosha (County)	13.3	9.7	14.2	37.1%	-6.3%
La Crosse (County)	10.7	10.8	11.2	-0.9%	-4.5%
Madison (Dane County)	24.9	24.9	23.8	0.0%	4.6%
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	176.5	176.3	172.2	0.1%	2.5%
Racine (County)	26.3	26.3	25.6	0.0%	2.7%
Sheboygan (County)	INA	INA	INA		
Wausau (Marathon County)	14.1	13.7	13.4	2.9%	5.2%

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

The economy's growth pattern in the coming months is likely to confirm a succession of past predictions for an orderly retreat while managing to avoid a recession. The economy is expected to post an increase of real GNP of 2.7 percent this year followed by growth of 1.2 percent in 1990.

U.S. OUTLOOK

The current forecast for consumer expenditures continues to show an expected slowdown in the growth of real consumer spending. Constant dollar spending is expected to grow by 2.6 percent this year followed by growth of 1.3 percent in 1990 and 2.3 percent in 1991. The forecast for consumption of durable goods shows the greatest weakness, led by retrenchment in automobiles and auto parts. Consumption of nondurables also slows, primarily in the energy items of gasoline and fuel oil. Real consumption of services continues to grow in line with past forecasts, showing a modest slowdown in 1990.

Housing starts are expected to drop to a level of 1.474 million units in 1989, a modest drop of 1.4 percent after falling off by 9.8 percent in 1987 and 8.5 percent in 1988. The decline has been largely a response of multi-family builders to the 1986 Tax Reform Act. Total starts are expected to advance by 0.8 percent in 1990, and by 1.3 percent in 1991.

The recent declines in durable goods orders and non-residential construction contract awards reinforce the current forecast of slow growth in real business investment during 1989-90. The durable goods boom is clearly aging.

Excluding the volatile aircraft category, orders for non-defense capital goods have been on a plateau since August, although backlogs remain high. Construction markets continue to show symptoms of a maturing business cycle. High commercial vacancy rates, weak demand growth, and increases in construction finance costs have triggered declines in contract awards.

On an annual basis, growth in equipment spending will be cut by more than half in 1989, and post a decline of 1.5 percent in 1990, before rising again in 1991. Spending growth for non-residential structures is now expected to be off only modestly (-0.8%) this year followed by a larger decline of 2.2 percent in 1990.

Even though real net exports revived somewhat in the first quarter from their weakness during the second half of 1988, the foreign trade sector will provide less stimulus to the economy this year than last. The impetus to export growth form the dollar's depreciation is fading; indeed, the exchange rate has recently risen as a result of the Federal Reserve's tight monetary policy.

Real export growth this year is expected to be only half of the growth of 18 percent for 1988. The forecast for real export growth in 1990 and 1991 is 8.1 percent and 8.8 percent respectively. Thus, growth in exports, although predicted to slow over the next two years, is relatively higher than other sectors and will continue to be the major source of economic expansion during the forecast period.

Real imports are also expected to grow much more slowly during the next two years in response to slower growing domestic demand. After growing by 8.7

percent in 1988, real imports are expected to grow by 6.1 percent this year, by 1.4 percent in 1990, and 3.5 percent in 1991.

WISCONSIN OUTLOOK

The Wisconsin economy is expected to shift this year from a period of rapid growth to a period of slow growth. Over the last four quarters, employment has increased by 65,000 jobs, or about 3 percent. Over the next four quarters, employment is expected to increase by 8,000 jobs, about 0.4 percent. This slowdown parallels the pace in the national economy which is also expected to show dramatically reduced growth in the remainder of this year and the beginning of next.

Consistent with the forecast for the U.S. economy, economic growth in Wisconsin is expected to slow during the rest of this year and into next year. Due to the apparently strong start, employment growth is expected to average 2.6 percent this year. However, weaker growth is expected to materialize later this year and continue into 1990. This will lower employment growth to a mere 0.6 percent in 1990. Employment is then expected to resume a more normal growth rate of 2.0 percent in 1991.

The weakness will be concentrated in the more cyclical industries. Manufacturing employment is expected to grow by 1.8 percent this year, with all the growth concentrated in the first half of the year. It will then decline by a modest 1.4 percent in 1990 and then resume growth in 1991. Construction employment is also expected to decline modestly next year and recover in 1991. The magnitude of the projected declines in these industries, however, is modest, and will resemble the slowdown which occurred in 1985 and 1986.

The less cyclical trade and service industries will experience continued employment growth. Trade employment is expected to grow 2.6 percent this year, followed by growth of 0.8 percent in 1990 and 1.4 percent in 1991. Service-related employment is expected to grow quite steadily--4.2 percent this year, 3.8 percent in 1990 and 4.5 percent in 1991.

Wisconsin personal income is expected to continue to grow through the forecast period, although unevenly due to the influences of last year's drought and the expected cyclical slowdown. After growing 6.0 percent in 1988, Wisconsin personal income is expected to grow 8.7 percent in 1989, 4.9 percent in 1990 and 7.0 percent in 1991.

The growth of personal income in 1988 and 1989 is influenced by the dramatic fluctuation in farm proprietor's income. Farm proprietor's income fell 50 percent last year and is expected to recover fully this year. This dramatic recovery in farm proprietor's income is expected to add about 1 percent to the growth in total personal income. Without this fluctuation, total personal income would have grown by 7.0 percent in 1988 and 7.7 percent in 1989, instead of 6.7 percent and 8.7 percent. The forecast for 1989 assumes normal weather and crop yields this year. If this assumption holds, the combination of expanded acreage planted and relatively good prices should push farm income back to the favorable level enjoyed in 1987. In 1990 and 1991, farm income is expected to be under some downward pressure in response to a return of more "normal" crop surpluses.

The pattern of income growth in the forecast is also influenced by cyclical factors. Income components subject to cyclical influences include wages and salaries, nonfarm proprietor's income, and interest income.

Wages and salaries are expected to grow 7.4 percent this year, but then slow to 4.7 percent growth in 1990 as

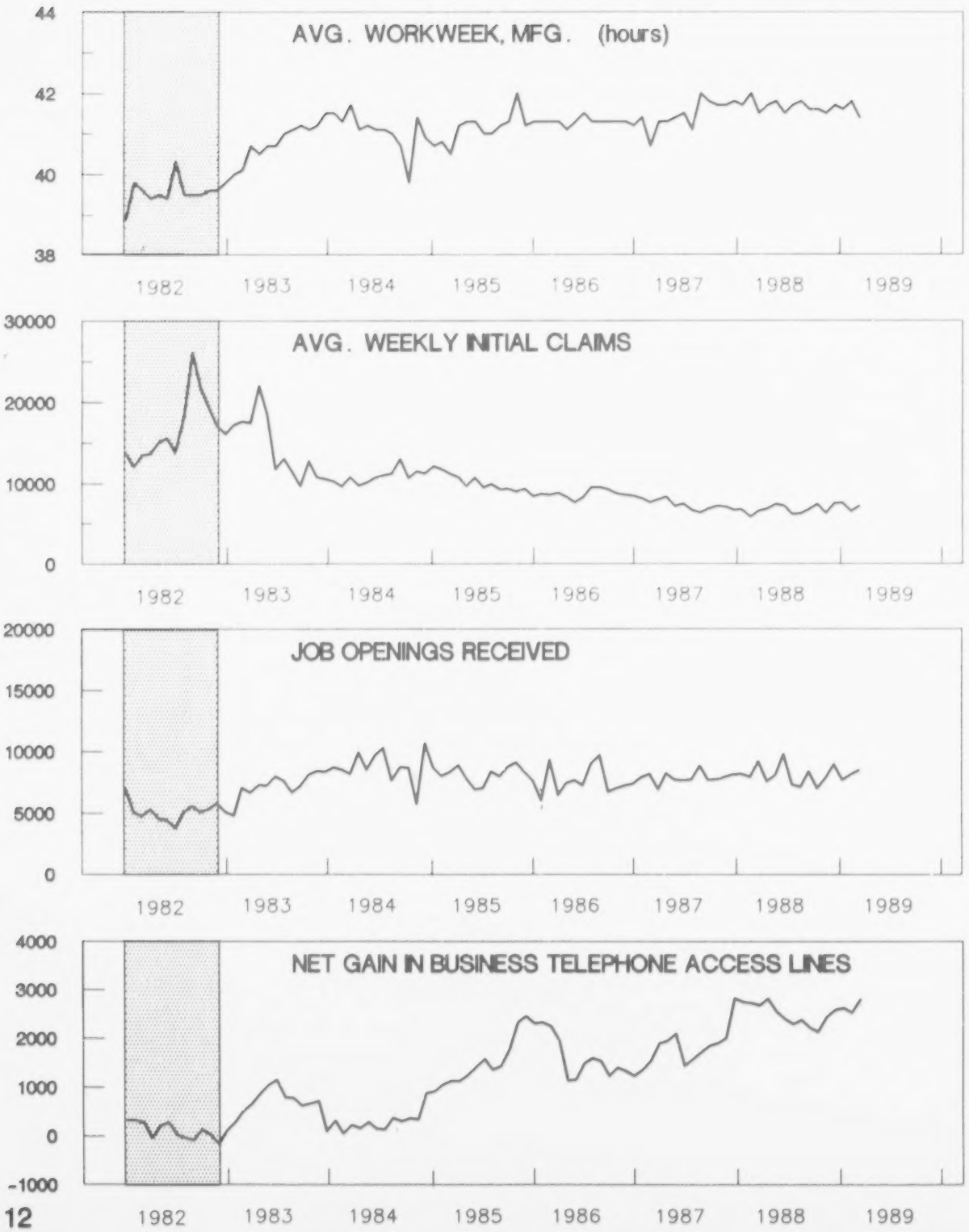
(Continued on back cover)

WISCONSIN EMPLOYMENT FORECAST

(Thousands of Workers, Annual Average)

	1987	1988	1989	1990	1991
MANUFACTURING	528.7	550.6	560.7	553.0	559.6
DURABLES	321.3	338.0	343.9	338.2	344.0
LUMBER PRODUCTS	26.6	28.3	29.2	28.5	28.9
STONE, CLAY, GLASS	8.8	9.1	9.5	9.4	9.5
PRIMARY METALS	20.1	21.9	23.8	23.3	23.7
FABRICATED METALS	53.0	57.4	59.0	56.9	57.5
NON-ELECT. MACHINERY	101.3	107.3	109.7	109.2	111.8
ELECTRICAL MACHINERY	46.5	47.4	47.7	47.1	48.3
TRANS. EQUIPMENT	33.0	32.1	29.4	29.8	30.5
OTHER DURABLES	32.0	34.4	35.5	34.1	33.8
NONDURABLES	207.4	212.6	216.9	214.8	215.6
FOOD PRODUCTS	62.6	62.5	63.6	63.4	62.9
PAPER PRODUCTS	49.2	50.1	50.0	49.2	49.5
PRINTING & PUBLISHING	41.1	43.8	45.2	45.4	46.6
CHEMICALS	10.2	10.4	10.7	10.6	10.6
RUBBER & PLASTICS	25.2	26.6	28.9	28.4	28.8
OTHER NONDURABLES	19.0	19.1	18.4	17.7	17.2
MINING	2.0	2.2	2.4	2.1	2.0
CONSTRUCTION	72.2	71.5	74.5	71.5	73.1
TRANS., COMM., UTILITIES	95.0	97.4	99.4	98.0	99.9
FINANCE, INSUR., REAL EST.	112.6	115.3	118.7	120.6	123.6
TRADE	494.3	505.9	518.9	523.0	530.3
SERVICES	459.8	479.9	499.9	518.7	542.0
GOVERNMENT	325.0	326.2	329.7	331.2	331.5
TOTAL EMPLOYMENT (Nonfarm)	2089.6	2149.0	2204.2	2218.3	2261.9
APPLETON/OSHKOSH	144.4	150.5	155.2	156.6	160.4
EAU CLAIRE	55.1	56.5	58.3	59.2	60.7
GREEN BAY	93.6	95.8	99.0	100.5	103.4
JANESVILLE/BELOIT	54.4	56.9	58.3	59.0	60.4
KENOSHA	41.2	42.3	39.2	38.7	39.3
LA CROSSE	51.4	54.3	56.3	57.6	59.5
MADISON	199.7	203.9	210.3	214.3	220.3
MILWAUKEE	698.0	717.2	734.0	736.1	748.7
RACINE	70.6	72.9	75.0	75.2	76.5
SHEBOYGAN	46.8	48.3	50.2	50.5	51.8
WAUSAU	45.8	48.0	49.4	49.7	50.7
NON METRO AREAS	588.6	602.4	619.1	621.0	630.2

D CYCLICAL INDICATORS



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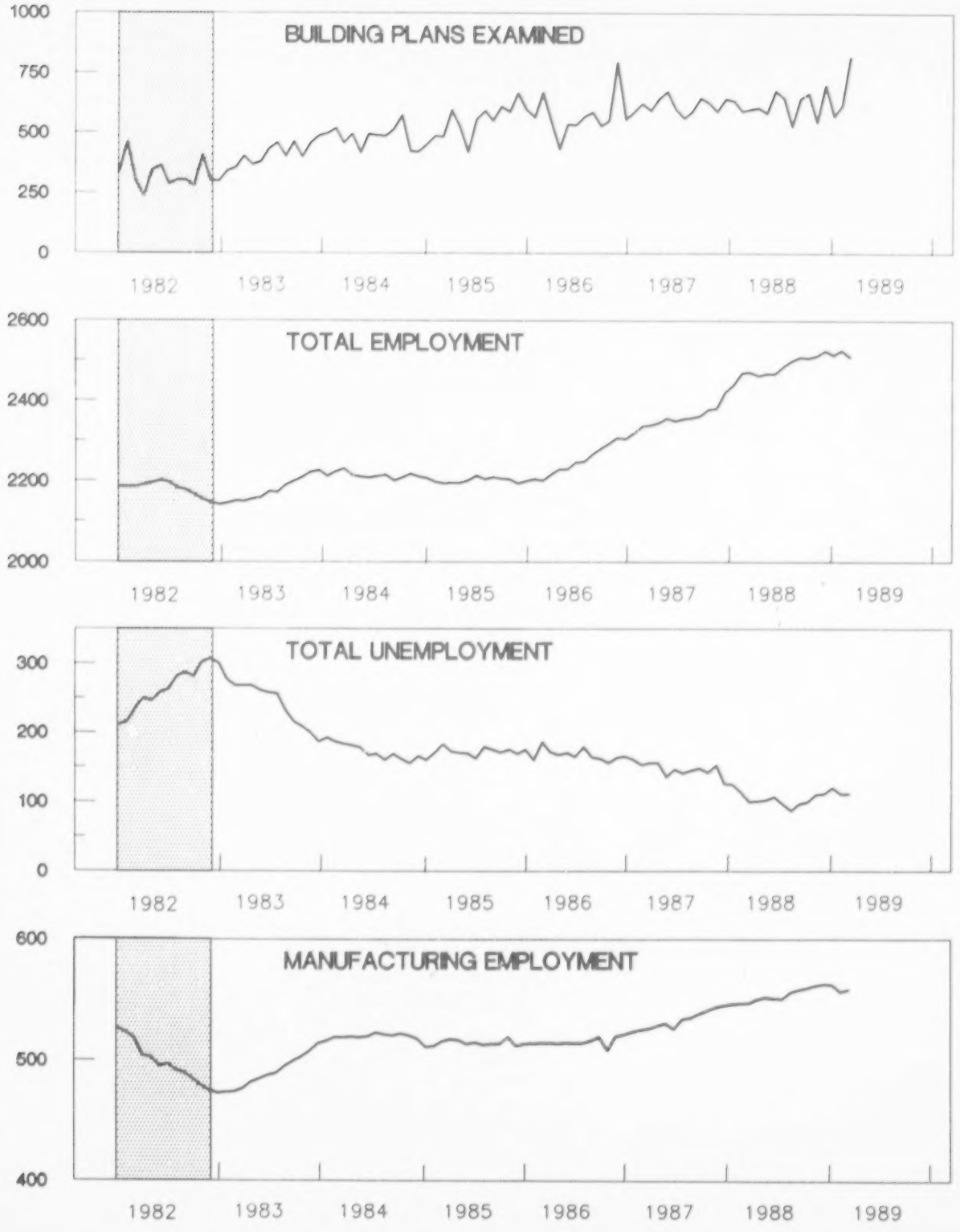

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(Continued from page 10)

employment growth diminishes and overtime hours are reduced in response to slower economic growth. Wages and salaries are expected to grow 7.4 percent in 1991 as economic growth recovers. Nonfarm proprietors' income is expected to grow 5.1 percent this year, and then slow to 3.3 percent growth in 1990 as the economy weakens. Relatively strong growth of 9.0 percent is anticipated for 1991 as the economy regains momentum. Interest income is heavily influenced by changes in interest rates. The recent climb in interest rates is expected to lift interest income by 14.3 percent this year, while the modest decline in interest rates will slow growth to 5.6 percent and 6.9 percent in 1990 and 1991.

Wisconsin Local Area Employment Forecasts

The benefits of economic growth in 1988 were widely shared in Wisconsin, with all metropolitan areas experiencing employment growth in excess of 2 percent. Employment growth in the non-metropolitan areas of the state averaged 2.3 percent. The fastest growing area of the state was the La Crosse area where employment grew by 5.6 percent, as a result of the rapid growth in construction, trade and nondurable manufacturing employment. The slowest growth was the 2.1 percent recorded in Madison where stagnation in government employment offset strong growth in the other sectors.

In 1989, employment growth is expected to be quite evenly distributed across the state with employment growing between 2.5 percent and 3.5 percent in most areas. The one exception is the Kenosha area where the Chrysler shutdown will have a dramatic impact. In 1990, the economic slowdown will reduce employment growth rates in all areas of the state. Most impacted will be areas in the southeastern part of the state which are more dependent on the cyclical manufacturing industries. Areas of the state with economies that are less cyclically sensitive like Eau Claire, Green Bay, La Crosse, and Madison, are expected to see employment growth in the 1.5 percent to 2.5 percent range. In 1991, employment growth is expected to return to more normal rates in all areas of the state.